



Superfund Special Accounts Senior Management Committee

July 28, 2011



Agenda

- Using special accounts for ATSDR activities
- Impact of new financial system on special account management and utilization
- Long-term use of special accounts
- Efficient management of special accounts
- Special account topics to research



Special Accounts for ATSDR Activities

See briefing paper “Providing Special Account Funds to ATSDR for Health Assessments Conducted Pursuant to CERCLA § 104(i)”



Background

- ATSDR is interested in using special account funds to conduct public health assessments at Superfund Alternative Approach (SAA) sites
- SAA sites meet the following criteria:
 - NPL-caliber sites
 - Long-term response action (e.g., remedial action) is anticipated
 - PRP is conducting the work at the site under a SAA agreement



Pros

- Exemption 5 - Deliberative Process

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Cons

- Exemption 5 - Deliberative Process

[REDACTED]

- Exemption 5 - Attorney-Client Privilege

[REDACTED]

- Exemption 5 - Deliberative Process

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



Outstanding Issues

- Should EPA provide special account funds to ATSDR for health assessments at SAA sites?

Exemption 5 - Attorney-Client Privilege

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Implementation of New Financial System (Compass)





Compass

- Go-live October 21, 2011
 - Financial system will be down October 1st – October 20th
- All Superfund financial data is not being migrated into Compass
 - Migrating ten years of Superfund payment data
 - IFMS data available in a data warehouse
- Concern in Superfund community with accessing historical and current Superfund financial information if data is in 2 different sources



Special Account Reporting

- Reporting concerns
 - Determining amount available in special accounts
 - Identifying appropriated expenditures for reclassification

Exemption 5 - Deliberative Process

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[Redacted content]

Exemption 5 - Deliberative Process

[Redacted content]



Special Accounts Interest Database (SAID)

- OTS is working with CFC to develop reports to pull special account information from Compass to support the SAID
- CFC will test and QA data
 - Ensure information is accurate and complete
 - Data converted from IFMS to Compass is not duplicated in the new process
- Available balance information for special accounts will be available through the SAID after go-live
- Security risk assessment for SAID is underway



Special Account Reclassifications

- Expenditures more than 10 years old will not need to be migrated into Compass
- Exemption 5 - Deliberative Process
[REDACTED]
- Propose following interim business process for reclassifications in the 1st and 2nd Quarters of FY 2012
 - No reclassifications will be processed during the 1st Quarter
 - CFC will process all KV transactions during the 2nd Quarter
 - Once the proposed Superfund Data Mart is available, OFM will work with staff to develop a new business process for reclassifications

Long-term Planning of Special Account Funds





Long-term Planning of SA Funds

- Long-term uses for SA funds include:
 - Five year reviews
 - Payroll and site travel
 - Operation and maintenance
 - Protectiveness contingencies
 - Long-term effectiveness of remedies
 - Additional contamination found at the site



Long-term Planning Estimates

	Total Planned	Account High	Account Low	Account Average	# Accounts
Outyear FYRs	\$22.3M	Exemption 5 - Deliberative Process [REDACTED]	[REDACTED]	[REDACTED]	140
Intramural Use	\$60.9M	Exemption 5 - Deliberative Process [REDACTED]	[REDACTED]	[REDACTED]	360
Protectiveness Contingencies	\$9.9M	Exemption 5 - Deliberative Process [REDACTED]	[REDACTED]	[REDACTED]	4
Other Plans	\$68.9M	Exemption 5 - Deliberative Process [REDACTED]	[REDACTED]	[REDACTED]	142

As of March 30, 2011 from CERCLIS

Enforcement Confidential



Long-term Planned Obligations in CERCLIS

BFY	Planned Obligations in CERCLIS by Action	Planned Obligations Total
>2021	O&M PRP RA PRP LR GW Monitoring Post-ROD Records Management State Support CA <u>Other</u> Total	\$40.7M \$11.2M \$6.9M \$2.8M \$1.6M \$503.3K <u>\$144.0K</u> \$63.8M
>2031	O&M PRP LR Records Management State Support CA <u>Other</u> Total	\$20.9M \$2.6M \$1.2M \$225.0K <u>\$154.0K</u> \$25.1M
>2041	O&M <u>Records Management</u> Total	\$10.1M <u>\$928.0K</u> \$11.1M



Long-term Planning

- Should we establish a general time frame for planning to use funds in special accounts?
 - 10, 20, 30 years from current planning fiscal year?
 - 10, 20, 30 years from account inception or deposit of funds?
 - 5, 10, 15 years after RA-Complete, CC, or Deletion?
 - Removal accounts?
 - Other non-NPL accounts?



Long-term Planning: Proposal

- Exemption 5 - Deliberative Process

[REDACTED]

[REDACTED]

[REDACTED]

- Next steps: Discuss with regional Superfund Division Directors

Efficient Management of Special Accounts





Efficient Management of SAs

Available Balance	No. of Accounts		Sum of Available Balance		Sum of Obligations	
Greater than \$10 Million	33	3%	\$984,481,893	55%	\$459,532,561	22%
Between \$1M and \$10 Million	214	22%	\$637,556,927	36%	\$844,930,534	41%
Between \$500K and \$1 Million	136	14%	\$96,082,184	5%	\$160,724,572	8%
Between \$250K and \$500K	135	14%	\$47,887,767	3%	\$70,024,601	3%
Between \$10K and \$250K	359	37%	\$35,699,351	2%	\$255,862,942	13%
Less than \$10K	100	10%	(\$11,432,784)	-1%	\$254,768,025	12%
Total	977		\$1,790,275,337		\$2,045,843,234	

- FY 2012 House Appropriation Committee mark-up includes language on special accounts
 - Expects EPA will accelerate obligation of funds in 2012 to address risks posed by contamination at these sites



Efficient Management of SAs

- Current regional responsibilities for managing open SAs include:
 - Plan for the use of funds within 3 months of establishing account.
 - Review and update plans for using SAs for work planning data pulls (July and October) and mid-years (March).
 - Reviews include coordinating with RPMs, OSCs, management, enforcement/legal staff, and finance staff regarding future use of funds available in accounts.
 - Ensure plans entered in CERCLIS are being completed (i.e., planned obligations become actual obligations).
 - Prepare notifications and financial transactions for reclassifications, transfers to the Trust Fund, and account closures.



Efficient Management of SAs

- Current HQ responsibilities for managing open SAs include:
 - Establish and close accounts.
 - Calculate and apply interest to all open SAs.
 - Process financial transactions to transfer SA funds to the Trust Fund.
 - Process reclassifications upon request.
 - Review SAs for negative fund code and account available balances.
 - Ensure reporting tools are available and accurate.
 - Review plans for all open SAs after March, July, and October data updates.
 - Report to the SA Senior Management Committee on plans and utilization of SAs.



Possible Ways to More Efficiently Manage SAs

- Establishing/Closing SAs
 - Exemption 5 - Deliberative Process
- Management & Planning SAs
 - Exemption 5 - Deliberative Process
 - Review only certain accounts, such as:
 - Greater than \$1M available
 - \$0 disbursed more than 4 years old
 - Current FY planned obligations, reclassifications and transfers
 - Unassigned balances > \$100K
- Reduce planning updates/review to twice a year
 - Currently update and review planning data three times a year₂₃



Efficient Management of SAs: Proposal

- Reduce planning cycles to twice a year:
 - Work planning reviews October – December
 - Mid-year reviews March – May
 - Reduce work for FY 2012 summer work planning exercise underway
- HQ review to focus only on highest risk accounts, such as:
 - >\$1 million available
 - Contingency or Other plans
 - \$0 disbursed/low utilization accounts more than 2 years old
 - Current FY planned obligations, reclassifications, transfers, and closures
 - Spot check sample of accounts with less than \$1 million available
- Evaluate current practices for establishing and depositing funds in accounts

Special Account Topics to Research





Special Account Future Topics

- Background paper “Special Account Topics to Research” has additional information
- Proposed Topics
 - Special Account Establishment and Deposits
 - Providing Special Account Funds to States
- In addition, SASMC will need to address recommendations in GAO report when issued and any Compass implementation issues

Review Action Items/Next Steps

